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C O N F I D E N T I A L SECTION 01 OF 03 SUVA 000497

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E.O. 12958: DECL: 11/15/2016
TAGS: [PREL](#) [MARR](#) [PGOV](#) [ASEC](#) [CASC](#) [FJ](#)
SUBJECT: FIJI UPDATE 11/15: WAITING FOR CIV-MIL MEDIATION;
STOKING BUDGET POLITICS

REF: A. SUVA 494

[B](#). SUVA 489

Classified By: Amb. Dinger. Sec. 1.4 (B,D).

Summary

[1](#). (C) Suva remains superficially calm. Republic of Fiji Military Forces (RFMF) reserves are finishing a two-week camp and are about to return home, at least temporarily. At the same time, the Army has added to its list of "political" complaints to Prime Minister Qarase. The Chair of the Great Council of Chiefs thinks mediation can be the solution, though he also believes the key issues are "personal" from 2000, not controversial bills. Fiji's tourism industry, caught in the storm, is suffering. In Parliament, FLP leader Chaudhry has suspended discussion of key land issues, pending establishment of multi-party cabinet ground rules, which Qarase blames Chaudhry for delaying. FLP cabinet members are staking out positions on the budget, with no easy answers. Politics has turned from consensus within the cabinet process to discord on the floor. We comment that Fiji could really use some encouraging news; but we are not seeing it at the moment. End summary.

Army reserves turning homeward

[2](#). (C) RFMF territorial (reserve) forces that have been exercising for the past two weeks marched into camp today, Nov. 15, for final activities before returning to regular lives. When the call-up commenced, it was publicly billed as "routine;" however, we have heard from a reliable source that at least in one instance RFMF soldiers showed up at a home and threatened to "put a bullet in (the) head" of a territorial who attempted to opt out. That sort of strong-arm tactic created considerable worry in the community about the purpose of the exercise, but to date nothing untoward has happened. We hear Commodore Bainimarama, in an address at a final parade, predicted that territorial forces will be called back to camp after annual school exams are over in a few weeks.

More RFMF "political" demands; PM ready to talk

[3](#). (C) PM Qarase told us the evening of Nov. 14 that he had just received a letter from the RFMF supplementing a list of grievances sent last week (see Ref B). Qarase described the additions as "more of the same," more raising of political issues, and he grumbled a wish that they "would stick to their own business." Qarase insisted to us that he wants a dialogue with Bainimarama, thinking talk is the only way out of the current situation. He remains hopeful that a mediation effort by the Great Council of Chiefs (GCC) can

bear fruit.

GCC ready to mediate

¶14. (C) We spoke with GCC Chairman Ratu Ovini Bokini on Nov. 15. He admitted that discussion in last week's meeting was sometimes heated. When Bainimarama was verbally attacking Qarase (the PM told us: "the Commander rubbished me"), Bokini saw a number of Chiefs busily scribbling notes, getting ready to fire back. Bokini decided Q&A would only add to problems, so he escorted Bainimarama from the room without questions. Asked about plans for GCC mediation between Qarase and Bainimarama, Bokini said Qarase is ready to commence ASAP; Bainimarama has yet to respond. Bokini, who departs on a business trip to LA tomorrow, plans to leave the lead mediation role to the three-person committee he established. He will be a "back up" as required.

Real issues "personal" from 2000

¶15. (C) Bokini told us he believes GCC mediation has a real chance to work. When we asked the GCC view of the three "controversial" pieces of legislation Bainimarama has decreed, Bokini made clear his sense that all can be put on a back burner without problem. He figures the land bills can "go dormant" for quite a while; and the scaled-back RTUB (reconciliation) draft may be so spare now, with the removal of "amnesty" provisions, that, in his view, there is no sense in proceeding with it. Asked if those bills are the heart of Bainimarama's problem with the Qarase Government, Bokini said he thinks not. He believes the big issues go back to the events of 2000, are "personal," and must be "talked through" by the two men. Bokini suggested that, since Vice President Madraiwiwi is Bainimarama's high chief, the GCC will not attempt traditional pressures on the Commodore unless the VP

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gives an OK.

Devastation for tourism industry

¶16. (C) The current civil-military crisis has hit tourism hard. Dixon Seeto, head of the Fiji Hotel Association, told us occupancy rates are currently around 50%, when they should be around 80%. The immediate future looks even bleaker. New bookings have almost dried up completely. One hotel alone, the Sheraton Denarau, has lost about 2000 room nights and USD 1 million to date. Hotels are laying off staff. Temporary workers are gone, and now permanent staff are being laid off or having hours cut back. Seeto said an RFMF press release two weeks ago saying there would be no coup was marginally helpful, but bookings will only pick up when there is a "positive signal" that the crisis is past. He is not optimistic for that anytime soon. Asked if laid-off employees are blaming the hotels, Seeto said: no, they realize the RFMF is to blame.

FLP's Chaudhry stalls land talks; EU factor

¶17. (C) PM Qarase told us the evening of Nov. 14 that he received a letter from FLP leader Chaudhry on Nov. 13 suspending any further discussion of land issues and constitutional amendments until ground rules for Fiji's current multi-party cabinet are resolved. Qarase expressed great frustration about this, since, in his view, it is Chaudhry who has delayed discussion of the ground rules, with Qarase patiently waiting for the FLP to be ready for talks. Qarase earlier had predicted the land issue could be resolved, with FLP cooperation, during the first quarter of 2007. Note: the European Union's very large assistance plan for Fiji's sugar industry may be in the balance. The EU has said it needs to see significant movement on the land issue before March 31, 2007, for its sugar assistance to proceed. End note.

From consensus to "dishonest" discord

18. (C) The Chaudhry letter plays into the theater under way during the current budget session of Parliament. With no formal multi-party cabinet ground rules established, Qarase has stated that FLP cabinet members must vote for the budget on the floor of Parliament, per normal Westminster rules. He confirmed to us that all nine FLP MPs endorsed the budget proposal, including its now-controversial VAT increase, during cabinet deliberations. That had to be the case, since, he observed, Fiji's cabinet operates only by consensus. Qarase sees those who now are speaking against VAT as "dishonest." On the other hand, Chaudhry has made clear the FLP expects all its MPs, including multi-party cabinet members, to vote against the budget or face expulsion from the party, which under Fiji's Constitution would trigger a by-election. We hear that Chaudhry is contemplating an attempt to pull the FLP out of cabinet entirely, until the ground rules are established.

A Cabinet remix?

19. (C) So far in statements on the floor, one FLP cabinet member has said he will support the budget; two have indicated they will not; and others are fudging. Reportedly, Qarase is considering sending several of his favorite FLP cabinet members overseas at the time of the budget vote in an attempt to protect them. Qarase told us he sees the process working out satisfactorily: FLP cabinet members who have not taken "multi-party" to heart will leave; the ones who in the PM's view are valuable contributors will stay. Note: It may be that Qarase would have to request FLP replacements for any FLP members who depart Cabinet, since the Constitution has been interpreted to require proportional representation in Cabinet from all parties that have 10% or more of the seats in Parliament.

Comment

110. (C) Severe tensions will continue in Fiji until Qarase and Bainimarama find a way out of their impasse. Whether that is via GCC or Vice Presidential mediation, or suspension/criminal charges against the Commodore, or a coup, or just a backing away by both sides to lick wounds and continue the fight another day is not at all clear. What is clear is that, in the meantime, Fiji's economy is suffering and the RFMF's reputation is being tarnished. The sparring between Qarase and Chaudhry over the multi-party cabinet and the budget is not a huge surprise. We had heard rumors that Chaudhry, always a skeptic about collaborating with the

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enemy, was plotting to scuttle the multi-party cabinet over the budget. It will be a shame if that multi-party experiment and an opportunity to tackle land issues become the casualties. The people of Fiji, and the businesses that consider investing here, need encouraging news; but they have not been receiving it lately.
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